

## Message Text

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PAGE 01 TEL AV 05354 201549Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SSM-03 SP-02 USIA-06 AID-05  
EB-07 NSC-05 EPG-02 TRSE-00 SS-15 STR-04 OMB-01  
CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00  
XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-01 PA-01  
PRS-01 AGRE-00 /100 W  
-----130643 202359Z /72

R 201428Z JUL 77  
FM AMZMBASSY TEL AVIV  
TO SECSTATE WASHDC 7341  
INFO AMEMBASSY AMMAN  
AMEMBASSY BUCHAREST  
AMEMBASSY CAIRO  
AMEMBASSY DAMASCUS  
AMEMBASSY JIDDA  
AMCONSUL JERUSALEM  
SUMMISSION SINAI 0431

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E.O. 11652:N/A  
TAGS: PINT, IS  
SUBJECT: KNESSET APPROVES NEW ECONOMIC MEASURES

REF: TEL AVIV 5271

1. AFTER DECISIVELY BEATING BACK TWO SEPARATE MOTIONS OF NO CONFIDENCE--ONE INTRODUCED BY RAKAH, THE OTHER BY SHELLI--THE KNESSET LAST NIGHT APPROVED THE GOVERNMENTS NEW ECONOMIC MEASURES BY A VOTE OF 70 TO 35. THE DMC VOTED WITH THE GOVERNMENT WHILE THE ALIGNMENT ABSTAINED ON THE NO CONFIDENCE MOTIONS (TO AVOID BEING IDENTIFIED WITH THE COMMUNISTS) AND VOTED AGAINST APPROVAL OF THE ECONOMIC PROGRAM.

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2. FINANCE MINISTER SIMCHA EHRLICH, WHO IS ALSO ACTING PRIME MINISTER WHILE BEGIN IS IN THE UNITED STATES, DEFENDED THE GOVERNMENT'S PROGRAM ARGUING THAT PRESIDENT CARTER AND THE AMERICAN PEOPLE SHOULD KNOW AT A TIME WHEN THEY ARE CONSIDERING ISRAEL'S REQUEST FOR ECONOMIC AND MILITARY ASSISTANCE THAT ISRAELIS ARE "TIGHTENING OUR BELTS BEFORE WE TURN

TO...THE U.S."

3. OPPOSITION MKS CRITICIZED THE MEASURES AS MAKE-SHIFT, LACKING BALANCE AND BEARING TOO HEAVILY ON THE POOR. MANY WELCOMED THE CUT IN THE DEFENSE BUDGET; OTHERS REGISTERED CONCERN OVER ITS EFFECT ON ISRAEL'S DEFENSE POSTURE. SHIMON PERES, FOR EXAMPLE, OBJECTED TO EHRLICH'S DESCRIPTION THAT THE CUTS WOULD BE IN THE AREA OF "MARGINAL ITEMS." THE FORMER DEFENSE MINISTER SAID THAT OFFICIALS OF THE FINANCE AND DEFENSE MINISTRIES HAVE NOT YET COMPLETED THEIR STUDY AS TO WHERE CUTS COULD BE MADE AND, THEREFORE, IT WAS PREMATURE TO CALL ANYTHING "MARGINAL."  
DUNNIGAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CENTRAL LEGISLATURE, ECONOMIC PROGRAMS  
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**Copy:** SINGLE  
**Sent Date:** 20-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977TELAV05354  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770258-0706  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 TEL AVIV 5271  
**Retention:** 0  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 1798251  
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**Status:** NATIVE  
**Subject:** KNESSET APPROVES NEW ECONOMIC MEASURES  
**TAGS:** PINT, IS  
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**Type:** TE  
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**Review Markings:**  
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